

Soni Soya Products Limited

April 27, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	12.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	12.00 (Rs. Twelve Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated February 24, 2021, placed the ratings of Soni Soya Products Limited (SSPL) under the 'issuer non-cooperating' category as SSPL had failed to provide information for monitoring of the rating. SSPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated April 18, 2022, April 19, 2022, April 20, 2022 and phone calls. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

At the time of last rating on February 24, 2021, the following were the rating weakness

Key Rating Weakness

Irregularities and over draws in debt servicing as cited vide resignation letter of auditor

As per SSPL's letter to stock exchange, the company had given intimation about the resignation of its statutory auditor wherein the reasons for resignation, as provided by statutory auditor to SSPL, mentions about irregularities and over drawl in loan account with bank and NBFCs owing to its poor liquidity. Further, the company had not paid its major income tax liability for the financial year ended on March 31, 2019 and not paid/short paid its income tax liability, TDS liability and other outstanding for the year ended March 31, 2020 as cited by the statutory auditor. Also, the auditor had stated that with above cited issues and lake of transactions, pending litigations and liquidity crises during the current period created uncertainty into the affairs of the company which might affect the going concern status of the entity as a part of reason for the resignation of statutory auditor from his services. Further, as per audited financials of FY20 auditor has mentioned about irregularities in its loan accounts. During the last rating action done on August 12, 2020, the banker had informed about the moratorium availed by the company for interest payment towards its cash credit facility starting March-2020 till August-2020

Analytical approach: Consolidated

Consolidated financials of the company include financials of Soni Soya Products Limited (SSPL) and its subsidiary i.e. Soni Soya Products LLC (SSP) (Holding 51%). SSPL is engaged in trading and processing of organic and non-GMO agricultural products while SSP is engaged in providing warehousing services for US based customers of SSPL. The company has prepared consolidated financials for SSPL for the first time in FY19 including its subsidiary company namely Soni Soya Products LLC (SSP).

About the Company

Indore based (Madhya Pradesh) Soni Soya Products Limited (SSPL, CIN: L51225MP2014PLC033203) was incorporated by Mr. Dilip Kumar Soni. The company, however, was originally incorporated as "Soni Soya Products Private Limited" on September 17, 2014. Subsequently, the company was converted into Public Limited Company on August 02, 2017 and name changed to Soni Soya Products Limited (SSPL). The company got listed on SME NSE on April 12, 2018. The company is primarily engaged in processing and trading of organic as well as Non-Genetically Modified Organism (non-GMO) and agricultural products such as Soya, Maize, Wheat, and Flax seeds, Mustard Oil, Rice, Pulses, Herb and Spices etc. The company exports its product to Canada, Dubai, South Korea, Sri Lanka and USA. Further, its subsidiary company namely Soni Soya Products LLC was incorporated in June 15, 2018 and is engaged in business of warehousing, selling and marketing of Soya and Soya Products in USA as well as trading and processing of agro products.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Consolidated

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	31-3-2022
Total operating income	179.82	NA	NA
PBILDT	3.98	NA	NA
PAT	0.17	NA	NA
Overall gearing (times)	1.77	NA	NA
Interest coverage (times)	2.66	NA	NA

A: Audited; NA: Not Available

Standalone

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	31-3-2022
Total operating income	149.00	NA	NA
PBILDT	3.96	NA	NA
PAT	0.19	NA	NA
Overall gearing (times)	1.76	NA	NA
Interest coverage (times)	1.22	NA	NA

A: Audited; NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable**Any other information:** Not Applicable**Rating History for last three years:** Please refer Annexure-2**Covenants of rated instrument / facility:** Please refer Annexure-3**Complexity level of various instruments rated for this company:** Please refer Annexure-4**Banker/Lender details:** Please refer Annexure-5**Annexure-1: Details of Instruments / Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	12.00	CARE D; ISSUER NOT COOPERATING*

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (05-Apr-19)
2	Fund-based - LT-Cash Credit	LT	12.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (24-Feb-21) 2)CARE D (23-Nov-20) 3)CARE BB+ (CWN) (12-Aug-20)	1)CARE BB+; Stable (31-Mar-20) 2)CARE BB+; Stable (05-Apr-19)

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities- Not Applicable

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careedge.in. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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